

111TH CONGRESS
1ST SESSION

H. R. 2500

To amend the Internal Revenue Code of 1986 to allow nontaxable employer matching contributions to section 529 college savings plans.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2009

Mr. PITTS (for himself, Mr. MICHAUD, and Mr. WITTMAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow nontaxable employer matching contributions to section 529 college savings plans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Help Kids Save for
5 College Act of 2009”.

6 **SEC. 2. NONTAXABLE EMPLOYER MATCHING CONTRIBU-**
7 **TIONS TO SECTION 529 COLLEGE SAVINGS**
8 **PLANS.**

9 (a) IN GENERAL.—Part III of subchapter B of chap-
10 ter 1 of the Internal Revenue Code of 1986 (relating to

1 items specifically excluded from gross income) is amended
2 by inserting after section 139C the following new section:

3 **“SEC. 139D. EMPLOYER MATCHING CONTRIBUTIONS TO**
4 **SECTION 529 COLLEGE SAVINGS PLANS.**

5 “(a) EXCLUSION.—Gross income of an employee does
6 not include amounts paid during the taxable year by the
7 employer to a qualified tuition program for the benefit of
8 a designated beneficiary if such amounts are paid pursu-
9 ant to a college savings assistance program.

10 “(b) LIMITATION.—The amount excluded from the
11 gross income of an employee under subsection (a) for any
12 taxable year with respect to each designated beneficiary
13 shall not exceed the lesser of—

14 “(1) \$1,000, or

15 “(2) the amount paid by the employee during
16 such year to such program for the benefit of such
17 beneficiary.

18 “(c) COLLEGE SAVINGS ASSISTANCE PROGRAM.—
19 For purposes of this section, a college savings assistance
20 program is a separate written plan of an employer for the
21 exclusive benefit of such employer’s employees—

22 “(1) under which the employer makes payments
23 to qualified tuition programs for the benefit of des-
24 ignated beneficiaries, and

1 “(2) which meets requirements similar to the
2 requirements of paragraphs (2), (3), (5), and (6) of
3 section 127(b).

4 “(d) DEFINITIONS.—For purposes of this section,
5 terms used in this section which are also used in section
6 529 shall have the respective meanings given such terms
7 by section 529.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for such part III is amended by inserting after the item
10 relating to section 139C the following new item:

 “Sec. 139D. Employer matching contributions to section 529 college savings
 plans.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 the date of the enactment of this Act.

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